

Changes in Medicare Reimbursement for a Typical Procrit Administration: Option 1¹

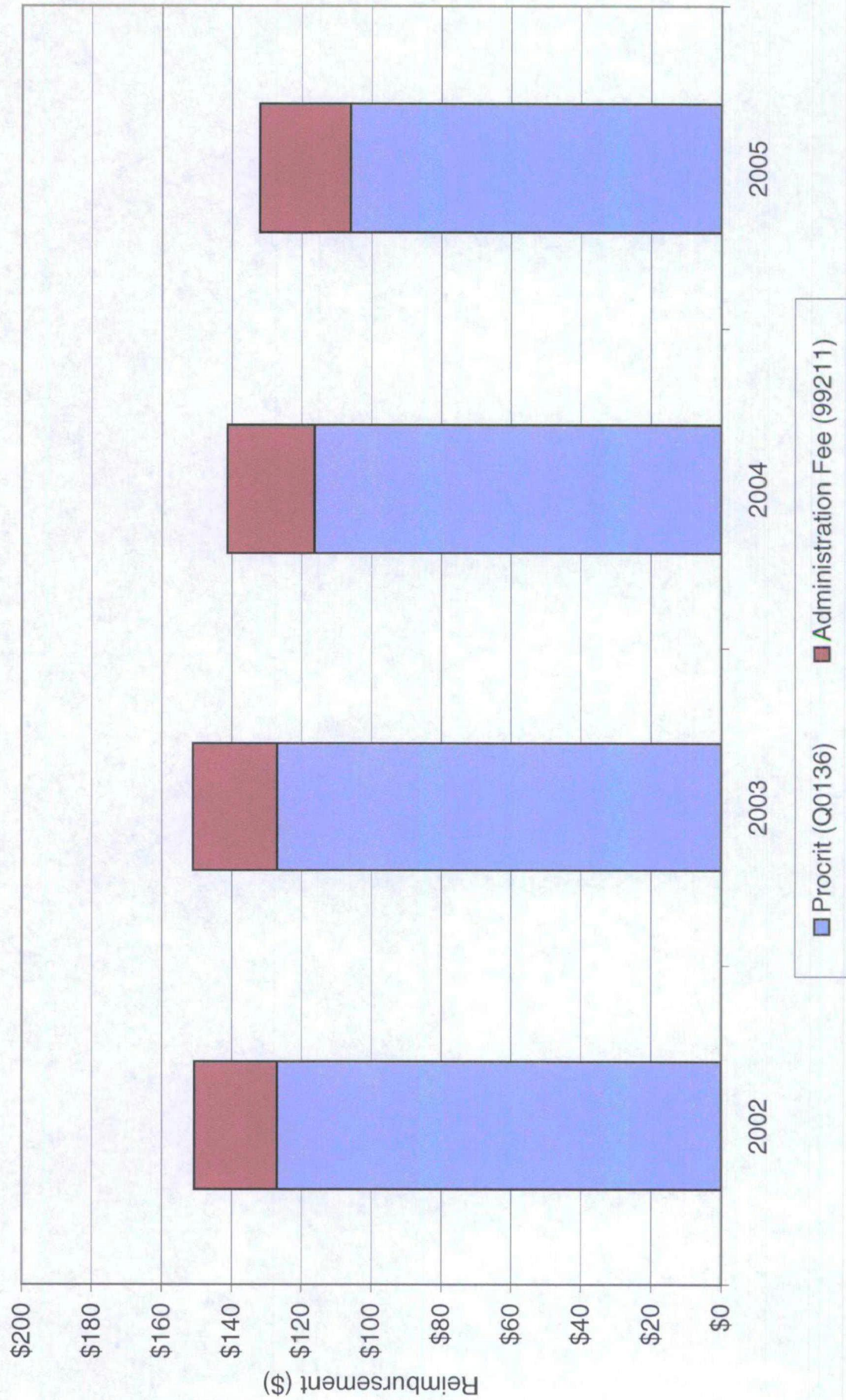
Year	Medicare Reimbursement Method	Medicare-based AWP	Medicare Reimbursement for Q0136 (includes copay amount) ²	Administration Fee Medicare Reimbursement for Code = 99211 ³	Reimbursement Based on 10 Fundamental Billing Units	Administration Fees (based on 1 unit of 99211)	Change in	
							Total Reimbursement	Reimbursement from Previous Year
2002	95% AWP	\$13.36	\$12.69	\$23.73	\$126.92	\$23.73	\$150.65	
2003	95% AWP	\$13.36	\$12.69	\$24.12	\$126.92	\$24.12	\$151.04	\$0.39
2004	87% AWP	\$13.36	\$11.62	\$24.95	\$116.23	\$24.95	\$141.18	-\$9.86
2005	1.06 ASP		\$10.60	\$25.96	\$106.00	\$25.96	\$131.96	-\$9.22

Notes

1. Assumes an administration of 10,000 units (see Plaintiffs' Exhibit 362). The fundamental billing unit for Q0136 is 1000 units. Option 1 is based on a CPT code of 99211.
2. Based on reimbursement for Q1 2005. Reimbursement decreased further in Q4 2005 to \$9.22.
3. Code 99211 is for a minimum office visit. (See Plaintiffs' Exhibit 362.) The reimbursement rates were taken from the Massachusetts carrier 3114301 non-facility rates from the CMS website (<http://www.cms.hhs.gov/apps/pfslookup/>).



Medicare Reimbursement for Procrit and Administration Fee 99211



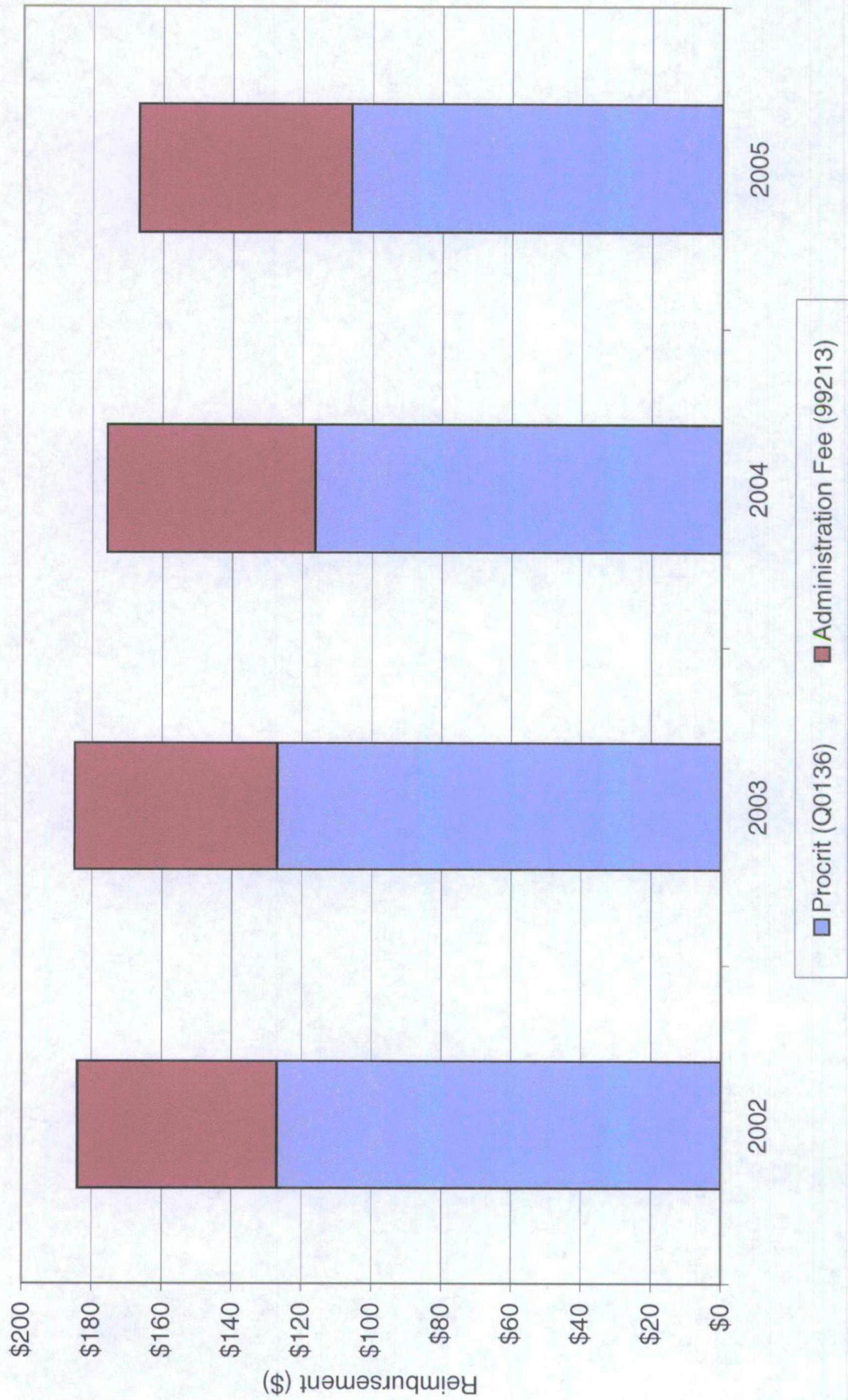
Changes in Medicare Reimbursement for a Typical Procrit Administration: Option 2¹

Year	Medicare Reimbursement Method	Medicare Reimbursement for Q0136 (includes AWP)	Medicare Reimbursement for Q0136 (includes copay amount) ²	Administration Fee Reimbursement for Code = 99213 ³	Reimbursement Based on 10 Fundamental Billing Units	Administration Fees (based on 1 unit of 99213)	Change in	
							Total Reimbursement	from Previous Year
2002	95% AWP	\$13.36	\$12.69	\$57.05	\$126.92	\$57.05	\$183.97	
2003	95% AWP	\$13.36	\$12.69	\$57.97	\$126.92	\$57.97	\$184.89	\$0.92
2004	87% AWP	\$13.36	\$11.62	\$59.62	\$116.23	\$59.62	\$175.85	-\$9.04
2005	1.06 ASP		\$10.60	\$60.82	\$106.00	\$60.82	\$166.82	-\$9.03

Notes

1. Assumes an administration of 10,000 units (see Plaintiffs' Exhibit 362). The fundamental billing unit for Q0136 is 1000 units. Option 1 is based on a CPT code of 99211.
2. Based on reimbursement for Q1 2005. Reimbursement decreased further in Q4 2005 to \$9.22.
3. Code 99213 is for a Level 3 office visit. (See Plaintiffs' Exhibit 362.) The reimbursement rates were taken from Massachusetts carrier 3114301 non-facility rates from the CMS website (<http://www.cms.hhs.gov/apps/pfslookup/>).

Medicare Reimbursement for Procrit and Administration Fee 99213



Changes in Medicare Reimbursement for a Typical Albuterol 0.083% Prescription¹

Year	Medicare Reimbursement Method	Medicare Reimbursement for J7619/J7613 (includes copay amount) ³	Medicare-based AWP (1 mg) ²	Dispensing Fee Medicare Reimbursement ⁴ Nebulizers	Reimbursement Based on 225 Fundamental Billing Units ⁵	Dispensing Fee (30 Day Supply)	Change in	
							Total Reimbursement	from Previous Year
2002	95% AWP	\$0.47	\$0.49	\$5.00	\$104.74	\$5.00	\$109.74	
2003	95% AWP	\$0.47	\$0.49	\$5.00	\$104.74	\$5.00	\$109.74	\$0.00
2004	80% AWP	\$0.39	\$0.49	\$5.00	\$87.75	\$5.00	\$92.75	-\$16.99
2005	1.06 ASP	\$0.065		\$57.00	\$14.63	\$57.00	\$71.63	-\$21.13

Notes

1. This analysis assumes a one month (30 day) prescription of albuterol sulfate 0.083% for use with a nebulizer.
2. Sources: AWP's derived from: CMS drug pricing files; Palmetto drug fee updates (www.palmettogba.com).
3. Note that in 2002 - 2004, the HCPCS code for 0.083% albuterol is J7619. For 2005 it is J7613. 2005 source: 1Q 2005 CMS pricing file.
4. Source: CMS fact sheet: <http://www.cms.hhs.gov/apps/media/press/factsheet.asp>, November 2, 2005. Note that the dispensing fee for refills in 2006 goes down even further to \$33/month. Therefore, the dose is 2.5 mg x 3 times per day x 30 days = 225 mg.
5. The typical dose is 2.5 mg (or 1 vial) 3 or 4 times daily (source: 2006 Physicians' Desk Reference). Here it is assumed that albuterol is taken 3 times a day.



Medicare Reimbursement for Albuterol 0.083% and Dispensing Fee

